



Smailes Goldie Group
CREATING ADVANTAGE

REGISTERED NUMBER: 03817237



Kirkella Limited

Financial Statements

31st December 2021



Kirkella Limited (Registered number: 03817237)

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Kirkella Limited

Company Information

for the year ended 31st December 2021

DIRECTORS:

D Parlevliet
J C Van Der Plas
J Sandell
B Thorsteinsson

SECRETARY:

Mackinnons Solicitors

REGISTERED OFFICE:

The Orangery
Hesslewood Country Office Park
Ferriby Road
Hessle
East Yorkshire
HU13 0LH

REGISTERED NUMBER:

03817237 (England and Wales)

AUDITORS:

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Kirkella Limited (Registered number: 03817237)

Strategic Report

for the year ended 31st December 2021

The directors present their strategic report for the year ended 31st December 2021.

REVIEW OF BUSINESS

The company has continued its fishing operations throughout the year utilising available fishing quotas.

Turnover has decreased by £3,092,240 in 2021; the principal reasons for this being an increase in the sold fish quantities during the year allowing for stock movements compared to 2020.

Pre-tax profits are £4,972,434 compared to £8,363,740 in 2020.

The company has net assets at 31 December 2021 of £17,954,865 compared to £16,868,801 at 2020.

The directors are satisfied with the company performance.

PRINCIPAL RISKS AND UNCERTAINTIES

The impact of Brexit is still opaque for most UK businesses, whether they are exporting to the EU or dependent on supplies from it for production. Coupled with the difficulties associated with Covid, trade has become more uncertain across the board. While the 'new normal' is developing, the volatility and unpredictability present in 2020 is still evident but is becoming easier to manage in a timely and cost effective manner. The Covid effect has begun to diminish and, due to the way the Company operates, has had less of an effect on it than many other fishing businesses. It is anticipated that trading conditions will continue to become easier as businesses are more practiced with the new requirements and Covid restrictions and impacts lessen.

The fishing opportunities available to the UK catching sector remain as more than a disappointment. The abject failure to deliver the level of opportunities anticipated, and indeed the physical reduction in opportunities compared to 2019, has continued to restrict operations across the board. The second year of negotiations with third countries has been 'spun' by the UK Government to be a success, when in reality the UK has secured a fraction of the catchable opportunities that the UK would have received when in the European Union. In some cases, the UK Government has not started to discuss the opportunities that were available, not only while we were within the EU but, before we joined the EU. In all of these cases, the third country in question receives preferential access to the lucrative UK market. The impact of Brexit and Covid on trade does mean that the UK will have to refocus priorities on food security but there is confidence that it will be prioritised and that improved opportunities will be delivered in the coming years.

Fishing opportunities available to the UK company have, again, been seriously impacted by the failed negotiations. Throughout the Brexit process, considerable effort has been expended to ensure that the Board can make informed and timely decisions based on the best possible information available. This will continue and our strong, productive, relationships with both the European Commission and the relevant UK Government departments will be further developed. These channels will enable the Board to mitigate the adverse impacts of Brexit as far as is reasonably possible.

KEY PERFORMANCE INDICATORS

The shareholders are closely involved in the company's operations and therefore the directors believe that an analysis of the company's performance for the year using key performance indicators is not necessary as the shareholders already understand the development, performance and financial position of the company.

Kirkella Limited (Registered number: 03817237)

Strategic Report

for the year ended 31st December 2021

FUTURE DEVELOPMENT AND PERFORMANCE

The commercial environment is expected to remain competitive and challenging but the directors remain confident that the company will continue to trade profitably in the future as demonstrated by the investment in a new vessel.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'J Sandell', is written over a horizontal line.

J Sandell - Director

22nd June 2022

Kirkella Limited (Registered number: 03817237)

Report of the Directors

for the year ended 31st December 2021

The directors present their report with the financial statements of the company for the year ended 31st December 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of fishing vessel owners and operators.

DIVIDENDS

Interim dividends of £2,000,000 (2020: £5,000,000) were paid during the year. The directors recommend that no final dividend be paid.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2021 to the date of this report.

D Parlevliet
J C Van Der Plas
J Sandell
B Thorsteinsson

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Kirkella Limited (Registered number: 03817237)

Report of the Directors

for the year ended 31st December 2021

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'J Sandell', is written over a light blue horizontal line.

J Sandell - Director

22nd June 2022

Report of the Independent Auditors to the Members of Kirkella Limited

Opinion

We have audited the financial statements of Kirkella Limited (the 'company') for the year ended 31st December 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Kirkella Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of Kirkella Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, tax legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the company's legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of Kirkella Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Dearing BSc FCCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

22nd June 2022

Kirkella Limited (Registered number: 03817237)

Income Statement

for the year ended 31st December 2021

| | Notes | 2021 £ | 2020 £ |
|--|-------|-------------------------|------------------|
| TURNOVER | 3 | 15,508,886 | 18,901,126 |
| Cost of sales | | <u>10,088,014</u> | <u>9,908,735</u> |
| GROSS PROFIT | | 5,420,872 | 8,992,391 |
| Administrative expenses | | <u>466,006</u> | <u>628,651</u> |
| | | 4,954,866 | 8,363,740 |
| Other operating income | | <u>12,318</u> | <u>-</u> |
| OPERATING PROFIT | 5 | 4,967,184 | 8,363,740 |
| Interest receivable and similar income | | <u>5,250</u> | <u>-</u> |
| | | 4,972,434 | 8,363,740 |
| Interest payable and similar expenses | 6 | <u>-</u> | <u>14,765</u> |
| PROFIT BEFORE TAXATION | | 4,972,434 | 8,348,975 |
| Tax on profit | 7 | <u>1,886,370</u> | <u>1,600,192</u> |
| PROFIT FOR THE FINANCIAL YEAR | | <u>3,086,064</u> | <u>6,748,783</u> |

The notes form part of these financial statements

Kirkella Limited (Registered number: 03817237)

Other Comprehensive Income for the year ended 31st December 2021

| | Notes | 2021 £ | 2020 £ |
|--|-------|------------------|------------------|
| PROFIT FOR THE YEAR | | 3,086,064 | 6,748,783 |
| OTHER COMPREHENSIVE INCOME | | <u>-</u> | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>3,086,064</u> | <u>6,748,783</u> |

The notes form part of these financial statements

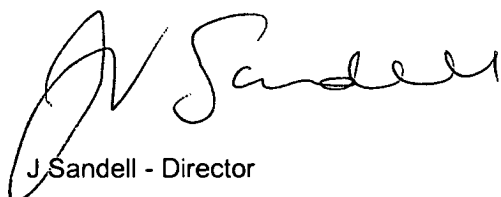
Kirkella Limited (Registered number: 03817237)

Balance Sheet

31st December 2021

| | Notes | 2021 £ | 2020 £ |
|--|-------|--------------------------|--------------------------|
| FIXED ASSETS | | | |
| Intangible assets | 10 | 67,643 | 68,944 |
| Tangible assets | 11 | <u>29,793,172</u> | <u>31,949,100</u> |
| | | 29,860,815 | 32,018,044 |
| CURRENT ASSETS | | | |
| Stocks | 12 | 738,698 | 2,348,037 |
| Debtors | 13 | <u>2,565,901</u> | <u>3,379,832</u> |
| | | 3,304,599 | 5,727,869 |
| CREDITORS | | | |
| Amounts falling due within one year | 14 | <u>11,501,350</u> | <u>17,829,880</u> |
| NET CURRENT LIABILITIES | | (8,196,751) | (12,102,011) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 21,664,064 | 19,916,033 |
| PROVISIONS FOR LIABILITIES | 15 | <u>3,709,199</u> | <u>3,047,232</u> |
| NET ASSETS | | <u>17,954,865</u> | <u>16,868,801</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 16 | 1,000 | 1,000 |
| Retained earnings | 17 | <u>17,953,865</u> | <u>16,867,801</u> |
| SHAREHOLDERS' FUNDS | | <u>17,954,865</u> | <u>16,868,801</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 22nd June 2022 and were signed on its behalf by:


J Sandell - Director

Kirkella Limited (Registered number: 03817237)

Statement of Changes in Equity for the year ended 31st December 2021

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|--------------------------------------|------------------------------------|---------------------------|----------------------|
| Balance at 1st January 2020 | 1,000 | 15,119,018 | 15,120,018 |
| Changes in equity | | | |
| Dividends | - | (5,000,000) | (5,000,000) |
| Total comprehensive income | - | <u>6,748,783</u> | <u>6,748,783</u> |
| Balance at 31st December 2020 | <u>1,000</u> | <u>16,867,801</u> | <u>16,868,801</u> |
| Changes in equity | | | |
| Dividends | - | (2,000,000) | (2,000,000) |
| Total comprehensive income | - | <u>3,086,064</u> | <u>3,086,064</u> |
| Balance at 31st December 2021 | <u>1,000</u> | <u>17,953,865</u> | <u>17,954,865</u> |

Kirkella Limited (Registered number: 03817237)

Notes to the Financial Statements

for the year ended 31st December 2021

1. STATUTORY INFORMATION

Kirkella Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Sale of goods

Turnover from the sale of fish is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on the date of the sales invoice.

Fishing licences

Intangible assets are capitalised at cost and amortised at cost less residual value on a straight-line basis over their useful lives. The useful life of the fishing licences are 30 years.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Fishing vessels - 15 years

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, cost of conversion and other costs incurred in bringing the stock to its present location and condition. Cost is calculated using a first in, first out formula. Provisions are made for damaged, obsolete and slow-moving stock where appropriate.

Kirkella Limited (Registered number: 03817237)

Notes to the Financial Statements - continued

for the year ended 31st December 2021

2. ACCOUNTING POLICIES - continued

Taxation

Current tax represents the amount payable or receivable in respect of the taxable profit or loss for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

| | 2021 £ | 2020 £ |
|----------------|-------------------|-------------------|
| United Kingdom | 15,021,237 | 17,301,271 |
| EU | 487,649 | 1,599,855 |
| | <u>15,508,886</u> | <u>18,901,126</u> |

4. EMPLOYEES AND DIRECTORS

There were no staff costs in the year. All crew members are self-employed share fishermen.

| | 2021 £ | 2020 £ |
|-------------------------|-----------|-----------|
| Directors' remuneration | <u>-</u> | <u>-</u> |

Kirkella Limited (Registered number: 03817237)

Notes to the Financial Statements - continued for the year ended 31st December 2021

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

| | 2021 £ | 2020 £ |
|-------------------------------|--------------|-----------------|
| Depreciation - owned assets | 2,155,928 | 2,155,928 |
| Fishing Licences amortisation | 1,301 | 1,301 |
| Auditors' remuneration | 6,750 | 5,500 |
| Foreign exchange differences | <u>3,621</u> | <u>(12,570)</u> |

6. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2021 £ | 2020 £ |
|------------------|-----------|---------------|
| Interest payable | <u>-</u> | <u>14,765</u> |

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

| | 2021 £ | 2020 £ |
|--------------------------------|------------------|------------------|
| Current tax: | | |
| UK corporation tax | 981,761 | 1,820,733 |
| Group relief | <u>242,642</u> | <u>-</u> |
| Total current tax | 1,224,403 | 1,820,733 |
| Deferred tax: | | |
| Accelerated capital allowances | <u>661,967</u> | <u>(220,541)</u> |
| Tax on profit | <u>1,886,370</u> | <u>1,600,192</u> |

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Profit before tax | <u>4,972,434</u> | <u>8,348,975</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%) | 944,762 | 1,586,305 |
| Effects of: | | |
| Capital allowances in excess of depreciation | - | (3,878) |
| Adjustments to tax charge in respect of previous periods | 51,400 | 17,765 |
| Post April 2023 deferred tax | <u>890,208</u> | <u>-</u> |
| Total tax charge | <u>1,886,370</u> | <u>1,600,192</u> |

Kirkella Limited (Registered number: 03817237)

Notes to the Financial Statements - continued for the year ended 31st December 2021

7. TAXATION - continued

The expected net reversal of deferred tax assets and liabilities in 2021 is £661,967, this is due to the reversal of accelerated capital allowances and short term timing differences.

8. DIVIDENDS

| | 2021 £ | 2020 £ |
|----------------------------|------------------|------------------|
| Ordinary shares of £1 each | | |
| Interim | <u>2,000,000</u> | <u>5,000,000</u> |

9. STOCKS

| | 2021 £ | 2020 £ |
|---------------------------|----------------|------------------|
| Fish | 382,564 | 2,158,734 |
| Fuel, gear and provisions | <u>356,134</u> | <u>189,303</u> |
| | <u>738,698</u> | <u>2,348,037</u> |

10. INTANGIBLE FIXED ASSETS

| | Fishing Licences £ |
|------------------------|--------------------------|
| COST | |
| At 1st January 2021 | |
| and 31st December 2021 | <u>78,050</u> |
| AMORTISATION | |
| At 1st January 2021 | 9,106 |
| Amortisation for year | <u>1,301</u> |
| At 31st December 2021 | <u>10,407</u> |
| NET BOOK VALUE | |
| At 31st December 2021 | <u>67,643</u> |
| At 31st December 2020 | <u>68,944</u> |

Kirkella Limited (Registered number: 03817237)

Notes to the Financial Statements - continued for the year ended 31st December 2021

11. TANGIBLE FIXED ASSETS

| | Fishing vessel £ |
|------------------------|------------------------|
| COST | |
| At 1st January 2021 | |
| and 31st December 2021 | <u>37,338,920</u> |
| DEPRECIATION | |
| At 1st January 2021 | 5,389,820 |
| Charge for year | <u>2,155,928</u> |
| At 31st December 2021 | <u>7,545,748</u> |
| NET BOOK VALUE | |
| At 31st December 2021 | <u>29,793,172</u> |
| At 31st December 2020 | <u>31,949,100</u> |

12. STOCKS

| | 2021 £ | 2020 £ |
|---------------------------|----------------|------------------|
| Fish | 382,564 | 2,158,734 |
| Fuel, gear and provisions | <u>356,134</u> | <u>189,303</u> |
| | <u>738,698</u> | <u>2,348,037</u> |

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|---------------|------------------|------------------|
| Trade debtors | <u>2,565,901</u> | <u>3,379,832</u> |

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|------------------------------------|-------------------|-------------------|
| Amounts owed to group undertakings | 11,284,839 | 17,701,788 |
| Corporation tax | 209,761 | 121,592 |
| Accruals and deferred income | <u>6,750</u> | <u>6,500</u> |
| | <u>11,501,350</u> | <u>17,829,880</u> |

15. PROVISIONS FOR LIABILITIES

| | 2021 £ | 2020 £ |
|--------------------------------|------------------|------------------|
| Deferred tax | | |
| Accelerated capital allowances | <u>3,709,199</u> | <u>3,047,232</u> |

Kirkella Limited (Registered number: 03817237)

Notes to the Financial Statements - continued for the year ended 31st December 2021

15. PROVISIONS FOR LIABILITIES - continued

| | Deferred tax £ |
|--|-------------------------|
| Balance at 1st January 2021 | 3,047,232 |
| Charge to Income Statement during year | <u>661,967</u> |
| Balance at 31st December 2021 | <u><u>3,709,199</u></u> |

Deferred tax is principally in respect of accelerated capital allowances.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: £1 | 2021 £ | 2020 £ |
|---------|----------|-------------------------|---------------------|---------------------|
| 1,000 | Ordinary | | <u><u>1,000</u></u> | <u><u>1,000</u></u> |

17. RESERVES

| | Retained earnings £ |
|-----------------------|---------------------------|
| At 1st January 2021 | 16,867,801 |
| Profit for the year | 3,086,064 |
| Dividends | <u>(2,000,000)</u> |
| At 31st December 2021 | <u><u>17,953,865</u></u> |

Retained Earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

18. CONTINGENT LIABILITIES

The company is party to a joint guarantee with its ultimate parent undertaking and fellow subsidiary undertakings in respect of the group borrowings which are secured, in part, by mortgages in certain vessels. The amount relating to the joint guarantee is £33,546,210 (2020: £39,551,877).

19. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

20. ULTIMATE PARENT PARTY

The controlling party is UK Fisheries Limited.

The parent company of the group of undertakings for which group financial statements are drawn up and of which the company is a member is UK Fisheries Limited, registered in England and Wales. UK Fisheries Limited is also the company's ultimate parent undertaking, and copies of its financial statements can be obtained from Companies House.